

# What Happened in the PSC Fuel Cost Vote—and Why It Matters for Georgia Customers

On May 28, the Georgia Public Service Commission (PSC) voted to approve an agreement governing how Georgia Power recovers fuel costs from customers.

The decision means most residential customers will see a modest reduction in fuel-related charges beginning June 1. According to testimony presented during the proceeding, the average residential customer could see savings of roughly \$4 per month.

While the bill reduction received significant attention, the proceeding also highlighted broader questions about how electricity costs are allocated among different types of customers and how Georgia's growing energy demand could affect future bills.

## The PSC's Role

Many Georgians know Georgia Power because they receive a monthly bill. Fewer know that the PSC plays a major role in reviewing and approving many utility costs that customers ultimately pay.

The Commission regulates Georgia Power and makes decisions regarding:

- Fuel cost recovery
- Storm recovery costs
- Utility planning
- Infrastructure investments
- Rate design

These decisions can affect monthly bills for millions of Georgians.

## How Commissioners Voted

The Commission approved the agreement by a majority vote.

Commissioners also considered four amendments to the agreement that were not adopted. They were:

1. Require an upcoming cost investigation to explicitly study three systemic problems: fuel pipeline cost allocations, natural gas price hedging contracts, and uneconomic coal plant operation.
2. Reduce Georgia Power's customer bills by an additional \$15.2 million from the fuel balance (or 10% of estimated losses from running coal plants uneconomically) unless Georgia Power can prove those expensive runs were strictly necessary.
3. Require Georgia Power to recover only the costs of storm damage and not a higher number that would generate profits
4. Claw back an additional 10% of the company's 45U nuclear production tax credits to buy down the storm debt by another \$17.7 million

As a matter of public record, the amendments received support from Commissioners Peter Hubbard and Alicia Johnson and were opposed by Commissioners Jason Shaw, Bubba McDonald, and Tricia Pridemore.

## **Data Centers and Cost Allocation**

One of the most significant issues raised during the proceeding involved the growth of large electricity users, including data centers.

Multiple parties argued that Georgia's rapid growth in electricity demand raises important questions about how costs should be allocated among residential customers, small businesses, and large industrial customers.

The Commission agreed to open a future investigation focused on fuel cost allocation.

That process could help answer questions about how future fuel-related expenses should be shared among different customer classes.

## **Why This Matters**

The fuel cost case demonstrates how public utility regulation affects everyday life.

Electric bills reflect more than the cost of generating electricity. They also reflect decisions about fuel purchases, infrastructure investments, storm recovery, economic growth, and cost allocation.

Understanding how those decisions are made is an important part of public participation in utility regulation.

The Commission's upcoming investigation into fuel cost allocation will provide another opportunity for stakeholders, experts, businesses, and members of the public to engage in discussions about affordability, reliability, and fairness in Georgia's energy system.

Utilities ask. The PSC decides. Customers pay.

Understanding the process is the first step toward meaningful public engagement.